

**CAMERON PARISH SHERIFF**  
**(AS EX-OFFICIO TAX COLLECTOR)**  
Cameron, Louisiana

Financial Report

Year Ended June 30, 2014

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## INDEPENDENT AUDITORS' REPORT

The Honorable Ron Johnson  
Cameron Parish Sheriff  
Cameron, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Cameron Parish Sheriff, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Cameron Parish Sheriff, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note 13 to the financial statements, in 2014, the Sheriff adopted new accounting guidance, GASB *Statement No. 65, Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### ***Other Matter***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the RSI on pages 35 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Cameron Parish Sheriff has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Cameron Parish Sheriff's basic financial statements. The other supplementary information on pages 41 through 44 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2014 on our consideration of the Cameron Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cameron Parish Sheriff's internal control over financial reporting and compliance.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
November 10, 2014

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Statement of Net Position  
June 30, 2014

ASSETS

Cash	\$ 3,021
Interest-bearing deposits	14,214,729
Due from other governmental units	41,931
Prepaid items	57,517
Capital assets, net	<u>570,429</u>
Total assets	<u>14,887,627</u>

LIABILITIES

Accounts and other payables	50,259
Long-term liabilities:	
Due in more than one year	129,399
Other post employment benefits payable	<u>3,269,831</u>
Total liabilities	<u>3,449,489</u>

DEFERRED INFLOWS OF RESOURCES

Unearned revenue	<u>2,853,136</u>
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NET POSITION

Net investment in capital assets	570,429
Unrestricted	<u>8,014,573</u>
Total net position	<u>\$ 8,585,002</u>

The accompanying notes are an integral part of the basic financial statements.



CAMERON PARISH SHERIFF  
Cameron, Louisiana

Statement of Activities  
Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue And Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Public safety:				
Law enforcement	<u>\$6,948,661</u>	<u>\$ 295,677</u>	<u>\$ 533,280</u>	<u>\$ (6,119,704)</u>
Taxes:				
Property taxes, levied for general purposes				5,943,685
Grants and contributions not restricted to specific programs:				
State sources				26,941
Interest earnings				8,898
Miscellaneous				32,316
Payments to Cameron Parish Police Jury				(338,496)
Loss on disposal of capital assets				<u>(9,364)</u>
Total general revenues				<u>5,663,980</u>
Change in net position				(455,724)
Net position - July 1, 2013				<u>9,040,726</u>
Net position - June 30, 2014				<u>\$ 8,585,002</u>

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUND DESCRIPTION**

### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Balance Sheet - Governmental Fund  
General Fund  
June 30, 2014

ASSETS

Cash	\$ 3,021
Interest-bearing deposits	14,214,729
Due from other governmental agencies	41,931
Prepaid items	<u>57,517</u>
Total assets	<u>\$ 14,317,198</u>

LIABILITIES

Accounts payable	<u>\$ 50,259</u>
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DEFERRED INFLOWS OR RESOURCES

Unearned revenue	<u>2,853,136</u>
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FUND BALANCE

Nonspendable	57,517
Unassigned	<u>11,356,286</u>
Total fund balance	<u>11,413,803</u>

Total liabilities, deferred inflows of resources and fund balance	<u>\$ 14,317,198</u>
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The accompanying notes are an integral part of the basic financial statements.

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
June 30, 2014

Total fund balance for governmental fund at June 30, 2014		\$11,413,803
Cost of capital assets at June 30, 2014	\$1,972,381	
Less: Accumulated depreciation	<u>(1,401,952)</u>	
Capital assets, net		570,429
Long-term liabilities at June 30, 2014		
Notes payable	(129,399)	
Net OPEB obligation payable	<u>(3,269,831)</u>	<u>(3,399,230)</u>
Net position at June 30, 2014		<u>\$ 8,585,002</u>

The accompanying notes are an integral part of the basic financial statements.

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund - General Fund  
Year Ended June 30, 2014

Revenues:	
Ad valorem taxes	\$ 5,943,685
Intergovernmental revenues -	
Federal grants	13,092
State grants - state revenue sharing	78,443
State supplemental pay	314,117
Other	163,994
Fees, charges, and commissions for services -	
Commissions on licenses, taxes, etc.	49,908
Fines and forfeitures	17,881
Civil and criminal fees	61,715
Court costs and attendance	46,134
Feeding, keeping, and transporting prisoners	103,866
Other	39,064
Interest income	8,898
Total revenues	<u>6,840,797</u>
Expenditures:	
Current -	
Public safety:	
Personal services and related benefits	4,932,986
Operating services	124,340
Operations and maintenance	1,018,495
Capital outlay	<u>214,852</u>
Total expenditures	<u>6,290,673</u>
Excess of revenues over expenditures	550,124
Other financing sources (uses):	
Payment to Cameron Police Jury	(338,496)
Proceeds from sale of assets	<u>15,660</u>
Total other financing sources (uses):	<u>(322,836)</u>
Net change in fund balance	227,288
Fund balance, beginning	<u>11,186,515</u>
Fund balance, ending	<u>\$11,413,803</u>

The accompanying notes are an integral part of the basic financial statements.

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Fund  
to the Statement of Activities  
Year Ended June 30, 2014

Total net change in fund balance for the year ended June 30, 2014 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 227,288
Add: Capital outlay costs which are considered expenditures on Statement of Revenues, Expenditures, and Changes in Fund Balance	214,852
Less: Loss on disposal of assets	(9,364)
Less: Depreciation expense for year ended June 30, 2014	(240,087)
Less: Proceeds from the sale of assets	(15,660)
Less: Increase in OPEB obligation at June 30, 2014	<u>(632,753)</u>
Total changes in net position for the year ended June 30, 2014 per Statement of Activities	<u>\$ (455,724)</u>

The accompanying notes are an integral part of the basic financial statements.

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Statement of Fiduciary Net Assets and Liabilities  
Fiduciary Funds - Agency Funds  
June 30, 2014

ASSETS

Assets:

Cash	\$ 5,630
Interest-bearing deposits	<u>1,147,011</u>

Total assets	<u>\$1,152,641</u>
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LIABILITIES

Liabilities:

Due to other taxing bodies	\$1,150,691
Due to inmates	<u>1,950</u>

Total liabilities	<u>\$1,152,641</u>
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The accompanying notes are an integral part of the basic financial statements.



CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The accounting and reporting policies of the Cameron Parish Sheriff conform to accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, *Audits of State and Local Governmental Units*.

(1) Summary of Significant Accounting Policies

The accompanying basic financial statements of the Cameron Parish Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish police jury as required by Louisiana law, the Sheriff is financially independent.

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of the local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

The statement of activities presents a comparison between direct expenses and program revenues for the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The governmental fund of the Sheriff is considered to be a major fund. The funds of the Sheriff are described below:

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

Governmental Fund –

General Fund – This fund is the primary operating fund of the Sheriff and it accounts for the operations of the Sheriff's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Sheriff policy.

Fiduciary Funds -

Fiduciary fund reporting focuses on net position and changes in net position. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

C. Measurement Focus/Basis of Accounting

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Sheriff operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on January 1 of the subsequent year. The taxes are generally collected in December, January, and February of the fiscal year.

Intergovernmental revenues and fees, charges and commissions for services are recorded when the Sheriff is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff. Proceeds from the issuance of debt in the Sheriff's name are accounted for as other financing sources.

D. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits. They are stated at cost, which approximates market. See Note (2) for other disclosures.

E. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Sheriff's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 or fewer days, they are classified as cash equivalents.

F. Bad Debts

Uncollectible amounts due for accounts receivable are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivables. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP),

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

no allowance for uncollectible receivables was made due to immateriality at June 30, 2014.

G. Prepaid Expenses

Prepaid expense consists of insurance premiums paid during the current fiscal year that benefit the next fiscal year.

H. Capital Assets

Capital assets, which include buildings, furniture, fixtures, equipment, and vehicles, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Vehicles	5
Office furniture	5-10
Equipment	5-10

In the fund financial statements, capital assets used in government fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

I. Vacation and Sick Leave

All full-time employees of the Sheriff's office earn from 5 to 28 days of vacation leave and from 6 to 12 days of sick leave each year, depending on their length of service. Vacation and sick leave cannot be accumulated, and upon resignation or retirement, unused leave is forfeited. At June 30, 2014, the Sheriff has no accumulated and vested benefits relating to vacation and sick leave which requires accrual or disclosure to conform with generally accepted accounting principles.

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

J. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Sheriff has no deferred outflows of resources.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Sheriff has deferred inflows of resources as described in Note 18.

K. Equity Classifications

In the government-wide statements, net position is displayed in three components:

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restrict net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows:

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the Sheriff. The Sheriff is the highest level of decision-making authority for the Sheriff's Office. Commitments may be established, modified, or rescinded only through resolutions approved by the Sheriff.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Sheriff's adopted policy, only he may assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

As of June 30, 2014, fund balances are composed of the following:

	<u>General Fund</u>
Nonspendable:	
Prepaid items	\$ 57,517
Unassigned:	<u>11,356,286</u>
Total fund balances	<u>\$11,413,803</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Sheriff considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Sheriff has provided otherwise in his commitment or assignment actions.

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2014, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$15,370,391, as follows:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Noninterest-bearing deposits	\$ 3,021	\$ 5,630	\$ 8,651
Interest-bearing deposits	<u>14,214,729</u>	<u>1,147,011</u>	<u>15,361,740</u>
Total	<u>\$14,217,750</u>	<u>\$1,152,641</u>	<u>\$ 15,370,391</u>

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Sheriff's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2014, are secured as follows:

Bank balances	<u>\$ 15,469,328</u>
At June 30, 2014 the deposits are secured as follows:	
Federal deposit insurance	1,750,023
Uninsured and collateral held by the pledging bank not in the Sheriff's name	<u>13,719,305</u>
Total	<u>\$ 15,469,328</u>

(3) Prepaid Expenses

Prepaid expenses at June 30, 2014 of \$57,517 consisted of prepaid insurance.



CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

(4) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish government in June and are actually billed to taxpayers by the Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Cameron Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2014, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 23.49 mills on property with net assessed valuations totaling \$ 270,080,180.

Total law enforcement taxes levied during 2014 were \$6,344,174. There were no taxes receivable at June 30, 2014.

(5) Due From Other Governmental Units

Amounts due from other governmental units at June 30, 2014, consist of the following:

Local funds	\$39,443
State funds	<u>2,488</u>
Total	<u>\$41,931</u>

(6) Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>7/1/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2014</u>
Vehicles, furniture, and equipment	\$2,080,751	\$ 214,852	\$(323,222)	\$1,972,381
Less: accumulated depreciation	<u>(1,460,063)</u>	<u>(240,087)</u>	<u>298,198</u>	<u>(1,401,952)</u>
Net capital assets	<u>\$ 620,688</u>	<u>\$ (25,235)</u>	<u>\$ (25,024)</u>	<u>\$ 570,429</u>

Depreciation expense in the amount of \$240,087 was charged to public safety.

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

(7) Conduit Debt

The Cameron Parish Sheriff in conjunction with the Cameron Parish Police Jury entered into an agreement for the construction of a jail. As part of this agreement the Sheriff will provide the funding to the Cameron Parish Police Jury in an amount not to exceed the payments received from the Chenier funds as described in Note 18. Beyond these payments the Sheriff is not legally responsible therefore, the payment of those funds are not recorded as liability but rather as other financing uses on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

(8) Pension Plan

Substantially all employees of the Cameron Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (retirement system).

Plan Description - The Cameron Parish Sheriff contributes to the retirement system, a cost-sharing, multiple-employer defined benefit plan administered by the Sheriff's Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability, and survivor benefits to sheriff and deputy sheriff members throughout the State of Louisiana.

The retirement system issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

Funding Policy - Plan members are required to contribute 10.25% of their annual covered salary and the Cameron Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 13.89% of annual covered payroll. The contribution requirements of plan members and the Cameron Parish Sheriff are established and may be amended by the Sheriffs' Pension and Relief Fund. The Cameron Parish Sheriff's contributions to the Retirement System for the years ended June 30, 2014, 2013, and 2012, were \$417,380, \$415,975, and \$432,774, respectively.

(9) Deferred Compensation Plan

The Sheriff offers its employees participation in the Louisiana Deferred Compensation Plan adopted by the Louisiana Deferred Compensation Commission and established in accordance with the Internal Revenue Code Section 457. The plan is reported as an agency fund in the State of Louisiana's financial statements. The plan, available to all Sheriff employees, permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or proof of hardship.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana (without being restricted to the provisions of benefits under the plan) subject only to the claims of the general creditors of the State of Louisiana. Participants' rights under the plan are equal

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

to those of general creditors of the State of Louisiana in an amount equal to the fair market value of the deferred account for each participant.

The Sheriff pays a 100% match for all contributions made by employees for deferred compensation up to the state statute limitations. The Sheriff's match for the year is \$251,830.

(10) Changes in Agency Fund Balances

A summary of changes in agency fund balances due to taxing bodies and others and due to prisoners follows:

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Inmate Trust Fund	Total
Balances, July 1, 2013	\$ 568	\$ 649,400	\$ 62,765	\$ 116	\$ 712,849
Additions	164,333	36,692,250	442,673	36,653	37,335,909
Reductions	<u>(161,221)</u>	<u>(36,301,984)</u>	<u>(398,093)</u>	<u>(34,819)</u>	<u>(36,896,117)</u>
Balances, June 30, 2014	<u>\$ 3,680</u>	<u>\$ 1,039,666</u>	<u>\$107,345</u>	<u>\$ 1,950</u>	<u>\$ 1,152,641</u>

(11) Taxes Paid Under Protest

The unsettled balances due to taxing bodies and others in the tax collector fund at June 30, 2014, includes \$1,017,522 of taxes paid under protest plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

(12) Ex-officio Tax Collector

The amount of cash on hand in the tax collector account at June 30, 2014 consists of:

Payments received in June and disbursed in July were for:

Occupational licenses	\$ 10,716	
Ad Valorem taxes	<u>11,428</u>	\$ 22,144
Protest taxes		<u>1,017,522</u>
Total		<u>\$1,039,666</u>

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

The amount of taxes collected for the current year by taxing authority was as follows:

	Ad Valorem Taxes	Advance Ad Valorem Tax Payments
Ambulance District #1	\$ 1,245,627	\$ -
Ambulance District #2	2,184,762	221,192
Cameron Hospital District #1	1,460,613	-
Cameron Hospital District #2	459,749	-
Cameron Parish Police Jury	8,669,434	746,146
Fire District #7	93,317	-
Gravity Drainage District #3	272,156	-
Gravity Drainage District #4	89,875	-
Gravity Drainage District #5	208,996	-
Gravity Drainage District #7	291,757	83,406
Gravity Drainage District #8	70,943	-
Gravity Drainage District #9	150,626	-
Hackberry Recreation District	437,993	-
Johnson Bayou Recreation District	459,749	126,109
Law Enforcement District	5,962,212	356,642
Louisiana Tax Commission	7,080	-
Recreation District #5	122,622	-
Recreation District #6	318,421	-
Recreation District #7	82,265	-
Recreation District #9	96,070	-
Cameron Parish School Board	7,973,634	811,537
Cameron Parish Assessor	608,343	43,371
Water District #10	362,596	64,890
Water District #11	149,989	-
Water District #2	202,177	-
Water District #7	170,294	-
Water District #9	262,829	-
Water/Wastewater District 1	93,711	-
West Calcasieu-Cameron Hospital	375,840	-
West Cameron Port Commission	293,173	-
Total	<u>\$ 33,176,853</u>	<u>\$ 2,453,293</u>

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

The amount of taxes assessed and uncollected, and the reason for failure to do so is as follows:

	Unpaid on Movable
Ambulance District #1	\$ 13,596
Ambulance District #2	15
Cameron Hospital District #1	13,182
Cameron Parish Police Jury	22,555
Fire District #9	669
Gravity Drainage District #3	4,070
Gravity Drainage District #5	1,635
Gravity Drainage District #9	5
Hackberry Fire District #1	5
Hackberry Recreation District	13
Law Enforcement District	22,143
Louisiana Tax Commission	2,262
Mosquito Abatement	9,426
Recreation District #6	4,700
Recreation District #9	810
Cameron Parish School Board	29,637
Water District #2	6
Water District #9	1,669
Water/Wastewater District 1	2,035
West Calcasieu-Cameron Hospital	11
West Cameron Port Commission	985
Total	<u>\$ 129,429</u>

(13) Litigation and Claims

At June 30, 2014, the Sheriff is involved in several lawsuits claiming damages. In the opinion of the Sheriff's legal counsel, resolution of these lawsuits would not create a liability to the Sheriff in excess of insurance coverage.

(14) Post-Retirement Health Care and Life Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2010, the Sheriff recognizes the cost of postemployment healthcare in the year when employee services are received, reports the accumulated liability from prior years, and provides information

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

useful in assessing potential demands on the Sheriff's future cash flows. Because the Sheriff is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2010 liability.

**Plan Description:** The Sheriff provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the Sheriff. The plan is an agent multiple-employer defined benefit health care plan administered by the Louisiana Sheriff's Association Office of Group Benefits. The plan does not issue a publicly available financial report.

The monthly premiums of these benefits for retirees and similar benefits for active employees are paid by the Sheriff. The Sheriff recognizes the cost of providing these benefits (the Sheriff's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

**Annual OPEB Cost:** The Sheriff's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Sheriff utilizes the level-dollar amortization method to amortize the unfunded actuarial accrued liability.

The following table shows the components of the Sheriff's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the district's net OPEB obligation:

Annual required contribution	\$ 898,087
Interest on net OPEB obligation	105,483
Adjustment to annual required contribution	<u>(158,259)</u>
Annual OPEB cost (expense)	845,311
Assumed Contributions made	<u>(212,558)</u>
Increase in net OPEB obligation	632,753
Net OPEB obligation - beginning of year	<u>2,637,078</u>
Net OPEB obligation - end of year	<u>\$ 3,269,831</u>

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

The Sheriff's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2012	\$ 873,073	17.7%	\$1,968,423
6/30/2013	\$ 858,693	22.1%	\$2,637,078
6/30/2014	\$ 845,311	25.1%	\$3,296,831

Fiscal year 2010 was the year of implementation of GASB Statement No. 45 and the Sheriff has elected to implement prospectively.

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2014, was as follows:

Actuarial accrued liability (AAL)	\$ 8,407,880
Actuarial valuation of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 8,407,880</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 2,519,131
UAAL as a percentage of covered payroll	333.8%

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Sheriff's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, will present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2011 actuarial valuation the unit credit actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 4.0% per annum, compounded annually.
2. Retirement Rates

<u>Age</u>	<u>Male</u>	<u>Female</u>
46-49	26.0%	26.0%
50-54	17.0%	17.0%
55-64	13.0%	13.0%
65 +	12.0%	12.0%

3. 100% of employees who elect coverage while in active employment and who are eligible for retiree benefits are assumed to elect continued medical coverage in retirement.
4. 50% of members electing coverage are assumed to also elect coverage for a spouse.
5. Medical Inflation

<u>Year</u>	<u>Trend</u>
2014	6.1%
2015-2018	6.0%
2019-2024	5.9%
2025-2030	5.8%
2031	6.3%
2032	6.8%
2033	6.9%
2034	6.8%
2035	6.6%
2036	6.5%
2037	6.4%
2038	6.3%
2039-2040	6.2%
2041-2042	6.1%
2043-2044	6.0%



CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

(15) Risk Management

The Sheriff is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Sheriff maintains commercial insurance policies covering automobile liability, medical payments, uninsured motorist, and collision; surety bond coverage; and marine liability. In addition to the above policies, the Sheriff maintains a public officials liability policy and a law enforcement policy. No claims were paid, which exceeded the policies' coverage amount, on any of the policies during the past three years.

(16) Expenditures of the Sheriff's Office Paid by the Parish Police Jury

The Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the parish courthouse, as required by statute, is paid by the Cameron Parish Government. These expenditures are not included in the accompanying financial statements.

(17) Changes in Long-Term Debt

The following is a summary of long-term debt for the year ended June 30, 2014:

	Balance 7/1/2013	Additions	Reductions	Balance 6/30/2014
FEMA note payable	\$ 129,399	\$ -	\$ -	\$ 129,399

Long-term debt is due as follows:

Year Ending June 30, 2035	<u>Governmental Activities</u>	
	Principal payments	Interest payments
	\$ 129,399	\$ 12,035

Interest on long-term debt is reported as a direct expense in the public safety function, during the year ended June 30, 2014, no payments were made.

(18) Unearned Revenue

Sabine Pass' LNG is a liquefied natural gas receiving facility located within the Cameron Parish boundaries. Sabine Pass' LNG qualified for the State of Louisiana's industrial ad valorem tax abatement program for a ten year period beginning in the year Sabine Pass' LNG's operations commenced. As a result of this abatement, in February 2007, Cameron Parish Sheriff entered into a Cooperative Endeavor and Payment in Lieu of Tax Agreement with Sabine Pass' LNG wherein

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

Sabine Pass' LNG agreed to make advanced payments of its ad valorem tax liability which will begin in the eleventh year after operations commence. In return, Cameron Parish Sheriff agreed to provide Sabine Pass' LNG with a dollar for dollar credit against those future taxes. As a result of these advanced payments, the Cameron Parish Sheriff annually records unearned revenue. These payments will continue to accrue until the ad valorem tax is assessed against Sabine Pass' LNG and the credits are applied at which time the revenue will be recognized by Cameron Parish Sheriff. The balance of unearned revenue at June 30, 2014 is \$2,853,136.

(19) Occupational Licenses

Collections settled during the year for occupational licenses are as follows:

	<u>Collected</u>	<u>Settled</u>	<u>Unsettled</u>
Cameron Parish Police Jury	\$ 300,186	\$ 291,079	\$ 9,107
Cameron Parish Sheriff's Office	<u>52,974</u>	<u>51,367</u>	<u>1,607</u>
Total	<u>\$ 353,160</u>	<u>\$ 342,446</u>	<u>\$ 10,714</u>

(20) On-behalf Payments

a. Supplemental Pay

Certain employees of the Cameron Parish Sheriff receive supplemental pay from the State of Louisiana. The Sheriff has recognized \$314,117 as revenue and an expenditure for these on-behalf salary payments.

b. Sheriff's Retirement System Contribution

The Cameron Parish Tax Collector contributed \$169,336 to the Sheriff's Retirement System of Louisiana, a plan in which the Cameron Parish Sheriff participates. The Cameron Parish Sheriff is not legally responsible for these contributions.

(21) Subsequent Events

The Sheriff evaluated subsequent events through November 10, 2014, the date which the financial statements were available to be issued.

(22) New Accounting Pronouncements

During the fiscal year ended June 30, 2014, the Sheriff adopted GASB 65, *Items Previously Reported as Assets and Liabilities*. The statement clarifies the appropriate reporting of deferred outflows of resources or deferred inflows of resources to ensure consistency in financial reporting.

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to Financial Statements (Continued)

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pensions that are administered through trusts or equivalent arrangements that meet the criteria established by this standard. The provisions of GASB Statement No. 68 must be implemented by the Sheriff for the year ended June 30, 2015. The effect of implementation on the Sheriff's financial statements has not yet been determined.

(23) Contingencies

a. Tax Abatement Program

Louisiana's State Constitution Chapter VII Section 21 authorizes the State Board of commerce and Industry to create a ten (10) year ad valorem tax abatement program for new manufacturing establishments in the State. Under the terms of this program, qualified businesses may apply for an exemption of local ad valorem taxes on capital improvements and equipment related to manufacturing for the first ten year of its operation; after which the property will be added to the local tax roll and taxed at the value and millage in force at the time. The future value of this exempt property could be subject to significant fluctuations from today's value; however the Sheriff could receive a substantial increase in ad valorem tax revenues once the exemption on this property expires. Because these taxes are not assessed due, no adjustments have been made to the Sheriff's financial statements to record a receivable. As of June 30, 2014, \$1,207,298,205 of property in the Sheriff's taxing jurisdiction is receiving this exemption.

b. Debt Dispute

The Cameron Parish Sheriff is currently disputing the remaining balance of the FEMA loan. Therefore no payments were made on the debt during the current year and interest will continue to accrue as per the debt holder until payment has occurred. The Cameron Parish Sheriff feels that this balance will be a forgiven debt and no further action is deemed necessary at this time.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

CAMERON PARISH SHERIFF  
Cameron, Louisiana

General Fund  
Budgetary Comparison Schedule  
Year Ended June 30, 2014

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 6,200,000	\$ 6,225,000	\$ 5,943,685	\$(281,315)
Intergovernmental revenues -				
Federal grants	21,000	58,630	13,092	(45,538)
State grants - state revenue sharing (net)	61,500	84,674	78,443	(6,231)
State supplemental pay	340,000	315,000	314,117	(883)
Other	144,500	173,346	163,994	(9,352)
Fees, charges, and commissions for services -				
Commissions on licenses, taxes, etc.	42,000	50,000	49,908	(92)
Fines and forfeitures	22,000	22,500	17,881	(4,619)
Civil and criminal fees	42,500	61,000	61,715	715
Court costs and attendance	15,200	43,200	46,134	2,934
Feeding, keeping, and transporting prisoners	112,000	87,600	103,866	16,266
Other	21,000	38,700	39,064	364
Interest income	14,000	9,000	8,898	(102)
Total revenues	<u>7,035,700</u>	<u>7,168,650</u>	<u>6,840,797</u>	<u>(327,853)</u>
Expenditures:				
Current -				
Public safety:				
Personal services and related benefits	5,118,459	4,731,746	4,932,986	(201,240)
Operating services	388,000	228,000	124,340	103,660
Operations and maintenance	904,000	1,066,900	1,018,495	48,405
Capital outlay	<u>250,000</u>	<u>235,000</u>	<u>214,852</u>	<u>20,148</u>
Total expenditures	<u>6,660,459</u>	<u>6,261,646</u>	<u>6,290,673</u>	<u>(29,027)</u>
Excess of revenues over expenditures	375,241	907,004	550,124	(356,880)
Other financing sources (uses):				
Payments to Cameron Police Jury	500	(316,231)	(338,496)	(22,265)
Proceeds from sale of assets	<u>-</u>	<u>-</u>	<u>15,660</u>	<u>15,660</u>
Total other financing sources (uses)	<u>500</u>	<u>(316,231)</u>	<u>(322,836)</u>	<u>(6,605)</u>
Net change in fund balance	375,741	590,773	227,288	(363,485)
Fund balance, beginning	<u>11,186,515</u>	<u>11,186,515</u>	<u>11,186,515</u>	<u>-</u>
Fund balance, ending	<u>\$11,562,256</u>	<u>\$11,777,288</u>	<u>\$11,413,803</u>	<u>\$(363,485)</u>

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Notes to the Budgetary Comparison Schedule  
For the Year Ended June 30, 2014

(1) Budgets and Budgetary Accounting

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The chief administrative deputy prepares a proposed budget for the general fund and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

For the year ended June 30, 2014, expenditures exceeded appropriations in the General Fund.

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Schedule of Funding Progress  
For the Year Ended June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2011	-	8,407,880	8,407,880	0.0%	2,519,131	333.8%
July 1, 2010	-	6,735,170	6,735,170	0.0%	3,138,345	214.6%

CAMERON PARISH SHERIFF  
Cameron, Louisiana

Schedule of Employer Contributions for Other Post Employment Benefit Plan  
For the Year Ended June 30, 2014

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
June 30, 2014	\$ 898,087	23.7%
June 30, 2013	\$ 898,087	21.2%
June 30, 2012	\$ 898,087	17.2%



**OTHER SUPPLEMENTARY  
INFORMATION**

## **OTHER FINANCIAL INFORMATION**

STATE OF LOUISIANA, PARISH OF CAMERON

AFFIDAVIT

The Honorable Ron Johnson, Sheriff of Cameron Parish

BEFORE ME, the undersigned authority, personally came and appeared, Ron Johnson, the Sheriff of Cameron, State of Louisiana, who after being duly sworn, deposed and said:


The following information is true and correct:

\$1,039,666 is the amount of cash on hand in the tax collector account on June 30, 2014;

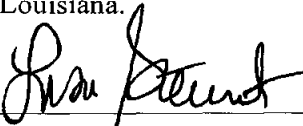
He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2013, by taxing authority, are true and correct.

All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.

  
\_\_\_\_\_  
Signature  
Sheriff of Cameron Parish

SWORN to and subscribed before me, Notary, this 10<sup>th</sup> day of November 2014,  
in my office in Cameron, Louisiana.

  
\_\_\_\_\_  
(Signature)  
LISA STEWART (Print), # 61177  
Notary Public  
4/1/15 (Commission)

## **AGENCY FUNDS**

### **Sheriff's Fund**

To account for funds held in connection with civil suits, garnishments and sheriff's sales and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

### **Tax Collector Fund**

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

### **Bond Fund**

To account for the collection of bonds, fines, and costs and payment of these collections to recipients in accordance with applicable laws.

### **Inmate Fund**

To account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

CAMERON PARISH SHERIFF  
Cameron, Louisiana  
Agency Funds

Combining Balance Sheet  
June 30, 2014

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Inmate Fund	Totals
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
ASSETS					
Cash	\$ 3,680	\$ -	\$ -	\$ 1,950	\$ 5,630
Interest-bearing deposits	<u>-</u>	<u>1,039,666</u>	<u>107,345</u>	<u>-</u>	<u>1,147,011</u>
Total Assets	<u>\$ 3,680</u>	<u>\$ 1,039,666</u>	<u>\$107,345</u>	<u>\$ 1,950</u>	<u>\$1,152,641</u>
LIABILITIES					
Due to taxing bodies and others	\$ 3,680	\$ 1,039,666	\$107,345	\$ -	\$ 1,150,691
Due to inmates and others	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,950</u>	<u>1,950</u>
Total Liabilities	<u>\$ 3,680</u>	<u>\$ 1,039,666</u>	<u>\$107,345</u>	<u>\$ 1,950</u>	<u>\$1,152,641</u>

CAMERON PARISH SHERIFF  
Cameron, Louisiana  
Agency Funds

Combining Statement of Changes in Assets and Liabilities  
Year Ended June 30, 2014

	Sheriff's Fund	Tax Collector Fund	Bond Fund	Inmate Fund	Totals
Balances, beginning of year	\$ 568	\$ 649,400	\$ 62,765	\$ 116	\$ 712,849
Additions:					
Deposits -					
Sheriff's sales, suits, and seizures	134,668	-	-	-	134,668
Garnishments	29,665	-	-	-	29,665
Bonds, fines, forfeitures and costs	-	-	442,673	-	442,673
Inmate deposits	-	-	-	36,653	36,653
Taxes, fees, etc., paid to tax collector	-	36,690,348	-	-	36,690,348
Interest	-	1,902	-	-	1,902
Total additions	<u>164,333</u>	<u>36,692,250</u>	<u>442,673</u>	<u>36,653</u>	<u>37,335,909</u>
Total	<u>164,901</u>	<u>37,341,650</u>	<u>505,438</u>	<u>36,769</u>	<u>38,048,758</u>
Reductions:					
Taxes, fees, etc., distributed to taxing bodies and others	159,427	22,834,184	-	-	22,993,611
Deposits settled to -					
State agencies	-	7,080	10,778	-	17,858
Sheriff's General Fund	1,794	6,443,769	61,833	-	6,507,396
Clerk of Court	-	-	12,427	-	12,427
Police Jury	-	7,016,951	143,099	-	7,160,050
District Attorney	-	-	56,914	-	56,914
Judicial expense fund	-	-	20,317	-	20,317
Crime lab	-	-	18,830	-	18,830
Indigent defender board	-	-	73,895	-	73,895
Inmate withdrawals	-	-	-	34,819	34,819
Total reductions	<u>161,221</u>	<u>36,301,984</u>	<u>398,093</u>	<u>34,819</u>	<u>36,896,117</u>
Balances, end of year	<u>\$ 3,680</u>	<u>\$1,039,666</u>	<u>\$ 107,345</u>	<u>\$ 1,950</u>	<u>\$1,152,641</u>

**INTERNAL CONTROL,  
COMPLIANCE,  
AND  
OTHER MATTERS**

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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Retired  
Conrad O. Chapman, CPA\* 2006

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Ron Johnson  
Cameron Parish Sheriff  
Cameron, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Cameron Parish Sheriff, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Cameron Parish Sheriff's basic financial statements and have issued our report thereon dated November 10, 2014.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cameron Parish Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cameron Parish Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cameron Parish Sheriff's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses.



A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Sheriff's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2014-001 and 2014-002, to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Cameron Parish Sheriff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Cameron Parish Sheriff's Response to Findings**

The Sheriff's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
November 10, 2014

CAMERON PARISH SHERIFF  
Cameron , Louisiana

Schedule of Current and Prior Year Audit Findings  
And Management's Corrective Action Plan  
Year Ended June 30, 2014

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2014-001      Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Sheriff did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT§501.07 states:

“An entity's internal control over financial reporting includes those policies and procedures that pertain to an entity's ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”

CAUSE: The cause of the condition is the fact that the Sheriff does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

CAMERON PARISH SHERIFF  
Cameron , Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (continued)  
Year Ended June 30, 2014

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Sheriff determined that it is not cost effective to achieve complete segregation of duties within the accounting department. As such, management has determined that no plan is considered necessary.

2014-002      Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: Unknown

CONDITION: The Sheriff does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

CRITERIA, AU-C§265.A37 identifies the following as a deficiency in the design of (internal) controls:

“... in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.”

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Financial statements and related supporting transactions may reflect a material departure from generally accepted accounting principles.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Sheriff has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Sheriff to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

CAMERON PARISH SHERIFF  
Cameron , Louisiana

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (continued)  
Year Ended June 30, 2014

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2013-001 Inadequate Segregation of duties

CONDITION The Sheriff did not have adequate segregation of duties within the accounting function.

RECOMMENDATION: Based upon the cost-benefit of additional personnel, it would not be feasible to achieve complete segregation of duties.

CURRENT STATUS: Unresolved. See item 2014-001.

2013-002 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The Sheriff does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Unresolved. See item 2014-002

B. Compliance

2013-003 Budget noncompliance

CONDITION: Advertising and adoption of the original budget were conducted after the fiscal years begin date.

RECOMMENDATION: The Sheriff should allow fifteen days prior to the beginning of each fiscal year for public inspection and completion of the budget.

CURRENT STATUS: Resolved.